

.SETTLEMENT AGREEMENT AND GENERAL RELEASE

This Settlement Agreement and General Release (hereinafter "Agreement") is made and entered on May 4, 2007, by and between Plaintiffs SKYLER DAWN COCHRAN, a minor, by and through her Guardian Ad Litem, Chastity Watson, individually, and as Successor in Interest to CHADWICK SHANE COCHRAN; and MICHAEL T. COCHRAN, individually (hereafter collectively referred to as "Plaintiffs"), on the one hand, and Defendants COUNTY OF LOS ANGELES; LEE BACA IN HIS OFFICIAL CAPACITY AS SHERIFF OF LOS ANGELES COUNTY (hereafter referred to as "Defendants"), on the other hand, (collectively, "the Parties") with reference to the following facts:

A. Plaintiffs filed a Complaint in the United States District Court, Central District of California, Case No. CV-05-08807 CAS (SSx), which Complaint arose out of certain alleged acts and/or omissions by Defendants ("the Civil Action"). In the Civil Action, Plaintiffs sought certain relief against Defendants, including, without limitation, monetary damages, as a result of those certain events that occurred on or about November 16, 2005 and that allegedly resulted in injuries to Plaintiffs; and

B. The Parties desire to settle all of Plaintiffs' claims arising out of the Civil Action, as well as any and all claims, known or unknown, which Plaintiffs have or may have against Defendants as of the date of this Agreement.

IT IS THEREFORE AGREED BETWEEN THE PARTIES AS FOLLOWS:

1A. Monetary Payment for Skyler Dawn Cochran. Defendant County of Los Angeles shall pay Plaintiff Skyler Dawn Cochran, a minor, the total sum of Five Hundred Thousand and One Dollars (\$500,001.00). Said sum shall be payable as follows:

- (i) \$320,274.00 payable to "Prudential Assigned Settlement Services Corporation" (Federal Tax ID # 22-3444614), pursuant to the attached Exhibit "A"; and,
- (ii) \$179,727.00 payable to "The Cochran Firm".

1B. Monetary Payment for Michael Cochran. Defendant County of Los Angeles shall pay Plaintiff Michael Cochran the total sum of One Hundred Twenty Five Thousand Dollars (\$125,000.00). Said sum shall be payable as follows:

- (i) \$83,335.00 payable to "Michael Cochran"; and,
- (ii) \$41,665.00 payable to "The Cochran Firm".

2. Dismissal Of The Civil Action With Prejudice, Each Side To Bear Their Own Costs And Attorneys' Fees. Concurrent with the payment to Plaintiffs by Defendant County of Los Angeles referred to above, Plaintiffs shall execute and furnish to Defendants' attorneys a duly executed Stipulation for the dismissal with prejudice of the entire Civil Action against all parties (named or unnamed, served or unserved) and an Order to be entered thereon by the Court. The Parties shall bear their own costs and attorneys' fees incurred in the Civil Action.

3. Release by Plaintiffs. Except as otherwise provided in this Agreement and as separate consideration for the agreements contained herein, Plaintiffs and their heirs, assigns and successors-in-interest ("the Releasers") hereby absolutely, fully and forever release, relieve, waive, relinquish and discharge Defendants and their successors, predecessors, related entities, subsidiaries, representatives, assigns, agents, partners, officers, directors, managers, insurers, shareholders, employees and attorneys, including, without limitation, the Los Angeles County Board of Supervisors, Franscell, Strickland,

Roberts & Lawrence, P.C., and each of them, ("Defendants, et al.") of and from any and all manner of action or actions, cause or causes of action, claims, worker's compensation claims, suits, debts, sums of money, demands, obligations, costs, expenses, debts, controversies, damages, accounts, reckonings and liens of every kind or nature whatsoever, whether known or unknown, suspected or unsuspected, which in any way or manner could at any time be asserted, are set forth in, arise out of, concern, are based upon or relate to the Civil Action and the facts and/or allegations asserted in the Civil Action (hereinafter referred to as "the Claims").

4. Release of Unknown Claims. Plaintiffs acknowledge their intention that, upon execution by all parties, this Agreement, except as expressly provided for herein, shall be effective as a full and final accord and satisfaction and settlement of and as a bar to the Claims. In connection with such waiver and relinquishment, Plaintiffs acknowledge that they are aware that they or their attorneys may hereafter discover facts different from or in addition to the facts which they or their attorneys now know or believe to be true with respect to the subject matter of this Agreement, but that it is their intention hereby to fully, finally, absolutely and forever settle the Claims, and that in furtherance of such intention the releases herein given by the Releasers to Defendants, et al. shall be and remain in effect as full and complete releases notwithstanding the discovery of any such different or additional facts. Therefore, Plaintiffs acknowledge that they have been informed by their attorneys, or otherwise have been informed of, and that they are familiar with, Section 1542 of the Civil Code of the State of California, which provides as follows:

"A general release does not extend to claims which the

creditor does not know or suspect to exist in his favor at the time of executing the release, which if known by him must have materially affected his settlement with the debtor."

Plaintiffs hereby waive and relinquish all rights and benefits against Defendants, et al. they have or may have under Section 1542 of the Civil Code of the State of California, to the fullest extent that they may lawfully waive all such rights and benefits pertaining to the subject matter of this Agreement.

5. Minors' Compromise. This Agreement and the obligations of the Parties thereunder is contingent upon Plaintiffs' petitioning to the Court for and obtaining Court approval of the compromise of the minor Plaintiff Skyler Dawn Cochran's claims as set forth in this Agreement.

6. Approval of the Board of Supervisors. This Agreement and the obligations of the Parties thereunder are contingent upon the approval of the Los Angeles County Board of Supervisors, which approval has been obtained.

7. Disputed Claims. Plaintiffs agree, represent and warrant that Plaintiffs fully understand that the Civil Action involves arguable and disputed questions of fact and law, that the liability of Defendants for the alleged acts in the Civil Action is doubtful and disputed and that the payment herein provided for is not to be construed as an admission of liability by Defendants, which is expressly denied, and that this Agreement arises from compromise.

8. Hold Harmless – Future Claims. Plaintiffs agree to defend, indemnify and hold harmless Defendants, et al. from and against all claims, obligations, actions, causes of action, or demands for payments, or proceedings which may hereafter be asserted,

brought by or on behalf of Plaintiffs or their heirs, executors, administrators, assigns or successors in interest, or any other person or organization, to recover for personal injuries, economic losses, or any other loss allegedly sustained by Plaintiffs or their heirs, executors, administrators, assigns or successors in interest.

9. Hold Harmless – Liens. Plaintiffs agree to defend and hold harmless and indemnify Defendants, et al. from any claim, loss, demand or cause of action of the spouse, children, siblings, or other family of Plaintiffs, as well as those of any insurance company, governmental agency, health care provider, fraternal or benevolent organization, employer, union, or any lien including, without limitation, liens pursuant to Sections 708.410 through 708.480 of the Code of Civil Procedure (Liens in Pending Actions or Proceedings), Section 14124.71 of the Welfare and Institutions Code (Subrogation of Employer or Workers' Compensation Carrier Against Third Parties for Compensation Benefits), or from Medicare (see 42 CFR 405.324 – Medicare Rights Against Third Parties), or any other party claiming to have suffered damage, loss or expense by reason of the Civil Action. Plaintiffs and their attorneys will also indemnify, defend and hold harmless Defendants, et al. from any other loss incurred directly or indirectly by reason of the falsity or inaccuracy of any representation made herein by the undersigned.

10. Representation of Comprehension of Document. In entering into this Agreement, Plaintiffs represent that they have relied upon the advice of their attorneys, who are the attorneys of their own choice, concerning the legal consequences of this Agreement; that the terms of this Agreement have been completely read and explained to Plaintiffs by their attorneys; and the terms of this Agreement are fully understood and

voluntarily accepted by Plaintiffs. Plaintiffs hereby further represent that they have not received or relied upon any legal or other advice from Defendants, their representatives and/or attorneys.

11. Warranty of Capacity to Execute Agreement. Plaintiffs represent and warrant that no other person(s) or entity has, or has had, any interest in the claims, demands, obligations, or causes of action referred to in this Agreement, except as otherwise set forth herein; that Plaintiffs have the sole right and exclusive authority to execute this Agreement; and that Plaintiffs have not sold, assigned, transferred, conveyed or otherwise disposed of any of the claims, demands, obligations or causes of action referred to in this Agreement.

12. Miscellaneous.

(a) No Warranties or Representations. The Parties agree that each has read this Agreement, has had an opportunity to have it fully examined by his, her or its attorney and understands the terms of this Agreement. The Parties represent and acknowledge that in executing this Agreement, they have not relied upon any representation or statement by any of the Parties or any of the Parties' agents, representatives or attorneys in any regard including, without limitation, the subject matter, basis or effect of this Agreement.

(b) Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

(c) California Law. This Agreement shall be interpreted under and pursuant to the laws of the State of California and not construed for or against any party.

(d) Attorneys' Fees. In the event of litigation arising in the Civil Action or in any other proceeding arising out of or pursuant to this Agreement, the prevailing party in said litigation or proceeding shall be entitled to reasonable attorneys' fees.

(e) Successors and Assigns. All of the terms and provisions contained herein shall inure to the benefit of and shall be binding upon the parties hereto and their respective heirs, legal representatives, successors and assigns.

(f) Parties in Interest. Nothing in this Agreement, whether express or implied, is intended to confer any rights or remedies under or by reason of this Agreement on any persons other than the parties and their respective successors and assigns, nor is anything in this Agreement intended to relieve or discharge the obligation or liability of any third persons to any party to this Agreement, nor shall any provision give any third person any right of subrogation or action over or against any party to this Agreement.

(g) Further Assurances. Each of the parties hereto shall execute and deliver any and all additional papers, documents and other assurances, and shall do any and all acts and things reasonably necessary in connection with the performance of their obligations hereunder to carry out the intent of the parties hereto.

(h) Modifications or Amendments. No amendment, change or modification of this Agreement shall be valid, unless in writing and signed by all of the parties hereto.

(i) Entire Agreement. This Agreement constitutes the entire understanding and agreement of the parties with respect to its subject matter and any and

all prior agreements, understandings or representations with respect to its subject matter are hereby terminated and canceled in their entirety and are of no further force or effect.

(j) Captions. The captions appearing at the commencement of the sections hereof are descriptive only and for convenience in reference. The sections, and not the captions, shall control and govern in the construction of this Agreement.

(k) Severability. If any part of this Agreement shall be deemed unenforceable, illegal or in violation of any State or Federal law, that portion of the Agreement shall be severable and the remaining portion or portions of the Agreement shall remain in full force and effect.

(l) Expenses. Each of the Parties shall pay all of their own costs, legal fees, accounting fees, and any other expenses incurred or to be incurred by it or them in negotiating and preparing this Agreement, and closing and carrying out the transactions contemplated by this Agreement.

Dated: July 9, 2007

Chastity Watson Guardian Ad Litem
SKYLER DAWN COCHRAN, individually
and as successor in interest to CHADWICK
SHANE COCHRAN, by and through her
Guardian Ad Litem Chastity Watson

Dated: _____, 2007

MICHAEL T. COCHRAN, individually

APPROVED AS TO FORM AND CONTENT:

The undersigned hereby certifies that the content of this Agreement and its legal

8 of 9

all prior agreements, understandings or representations with respect to its subject matter are hereby terminated and canceled in their entirety and are of no further force or effect.

(i) Captions. The captions appearing at the commencement of the sections hereof are descriptive only and for convenience in reference. The sections, and not the captions, shall control and govern in the construction of this Agreement.

(k) Severability. If any part of this Agreement shall be deemed unenforceable, illegal or in violation of any State or Federal law, that portion of the Agreement shall be severable and the remaining portion or portions of the Agreement shall remain in full force and effect.

(l) Expenses. Each of the Parties shall pay all of their own costs, legal fees, accounting fees, and any other expenses incurred or to be incurred by it or them in negotiating and preparing this Agreement, and closing and carrying out the transactions contemplated by this Agreement.

Dated: July 9, 2007

Chastity Watson Guardian Ad Litem
SKYLER DAWN COCHRAN, individually
and as successor in interest to CHADWICK
SHANE COCHRAN, by and through her
Guardian Ad Litem Chastity Watson

Dated: 10-5-, 2007

Michael T. Cochran
MICHAEL T. COCHRAN, individually

APPROVED AS TO FORM AND CONTENT:

The undersigned hereby certifies that the content of this Agreement and its legal

implications have been communicated and explained to each of the aforementioned
Plaintiffs and that they believe that each fully understands and consents to this
Agreement.

Dated: July 10, 2007

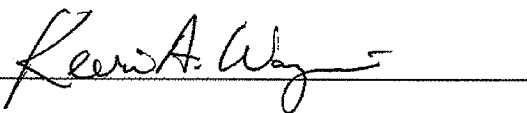
THE COCHRAN FIRM

By: 

Brian Dunn
Attorneys for Plaintiffs

Dated: July 9th, 2007

BULLARD & WANGERIN, LLP

By: 

Kevin A. Wangerin
Attorneys for Plaintiffs

EXHIBIT "A"

A. Payments

The Defendant, County of Los Angeles, has agreed to provide Lizett Cortes-Romero, a minor, by and through her Guardian ad Litem, Skylar Dawn Cochran, a minor, by and through her Guardian ad Litem, Chastity Watson with the periodic payments as outlined below. The County may elect to purchase a structured settlement annuity from The Prudential Insurance Company of America rated A+15, as determined by A.M. Best's Company. The present value of these periodic payments is \$320,274:

- (1) Payments due at the time of settlement as follows:

\$179,727 in attorney fees, costs and any medical liens to THE COCHRAN LAW FIRM

- (2) Periodic payments, made according to the following schedule:

**Periodic Payments Payable to
Chastity Watson, on behalf of Skylar Dawn Cochran**

Monthly Stipend to age 18:

Commencing on (09/06/2007,
\$200 payable every month for 6 years and 10 months
compounding at a rate of 3% per annum

Payable to Skylar Dawn Cochran

Education Fund:

Commencing at age 18 (06/06/2014),
\$20,000 payable every year for 5 years

Monthly Education Stipend:

Commencing at age 18 (06/06/2014),
\$750 payable every month for 5 years

Lump Sums:

\$50,000 payable at age 25 (06/06/2021)
\$75,000 payable at age 28 (06/06/2024)
\$175,000 payable at age 30 (06/06/2026)
\$311,480 payable at age 35 (06/06/2031)

\$772,880 = Total Certain Payout

All sums and periodic payments set forth in the section entitled Payments constitute damages on account of personal injuries or sickness, arising from an occurrence, within the meaning of Section 104(a)(2) of the Internal Revenue Code of 1986, as amended.

Releasor(s) agree, however, that they have not received or relied upon any advice or representation as to the tax effect of this Agreement. In accordance therewith, Releasor(s) agree to hold harmless the County from any losses to Releasor(s) incurred including any loss by reason of a determination by the Internal Revenue Service or other tax authority that said settlement monies do not constitute, in whole or part, damages on account of personal injury or sickness.

B. Qualified Assignment

The Parties hereto acknowledge and agree that the County will make a "qualified assignment" within the meaning of Section 130(c), of the Internal Revenue Code of 1986, as amended, to Prudential Assigned Settlement Services Corporation (hereinafter referred to as "Assignee(s)") of the County's liability to make the periodic payments described in paragraph A(2) herein.

Such assignment, if made, shall be accepted by the Releasor(s) without right of rejection and shall completely release and discharge the County from such obligations hereunder as are assigned to Assignee(s).

The obligation assumed by Assignee(s) with respect to any required payment shall be discharged upon the mailing on or before the due date of a valid check in the amount specified to the address of record.

The Releasor(s) hereto expressly understand and agree that upon the qualified assignment being made by the County to Assignee(s) as authorized by this agreement, all of the duties and responsibilities to make the periodic payments otherwise imposed upon the County by this agreement shall instead be binding upon Assignee(s), and the County shall be released from all obligations to make said periodic payments, and Assignee(s) shall at all times remain directly and solely responsible for and shall receive credit for all such payments made to Releasor(s). It is further understood and agreed that, upon such a qualified assignment, Assignee(s) assume all of the duties and responsibilities of the County to make the periodic payments.

The Releasor(s) agree that:

(1) Periodic payments under this Settlement Agreement from Assignee(s) cannot be accelerated, deferred, increased or decreased by the Releasor(s).

(2) The Assignee's obligation for payment of the periodic payments shall be no greater than the obligation of the person or entity originally liable (whether by suit or agreement) for payment and from whom the obligation as assigned.

C. Releasor's Right to Payments

The County and/or Assignee(s) shall not segregate or set aside any of its assets to fund the payments to Releasor(s) required herein. Payments hereunder cannot be accelerated, deferred, increased or decreased by the Releasor(s) and/or Assignee(s) and no part of the payment(s) called for herein or any assets of the County and/or Assignee(s) is to be subject to execution of any legal process for any obligation in any manner. Furthermore, the Releasor(s) shall not have the power to sell or mortgage or encumber the same, or any part thereof, anticipate the same, or any part thereof, by assignment or otherwise.

D. Right to Purchase an Annuity

Releasor(s) agree that the County and/or Assignee(s) shall have the right to fund its liability to make periodic payments by purchasing a "qualified funding asset," within the meaning of Section 130(d) of the Code, in the form of an annuity policy from The Prudential Insurance Company of America (hereinafter referred to as "Annuity Carrier(s)").

The County and/or its Assignee(s) shall be the owner of the annuity policy or policies, and shall have all rights of ownership.

The County and/or its Assignee(s) may have Annuity carrier(s) mail payments directly to the Releasor(s). The Releasor(s) shall be responsible for maintaining the currency of the proper mailing address and mortality information to Assignee(s).

E. Releasor's Beneficiary

Any payments to be made after the death of the Releasor(s) pursuant to the terms of this Settlement Agreement and Release shall be made to such person or entity as shall be designated in writing at the time of settlement by said Releasor(s) to the County or the County's Assignee(s). If no person or said entity is so designated by the Releasor(s), or if the person designated is not living at the time of the Releasor's death, such payments shall be made to the estate of the Releasor(s).

Plaintiff: Skyler Dawn Cochran, a minor, by and through
her Guardian ad Litem, Chastity Watson

By: Chastity Watson, Guardian ad Litem
Chastity Watson

Plaintiff's Attorney:

By: Brian T. Dunn, Esq.
Brian T. Dunn, Esq.